

## FOREIGN AID AUTHORIZATION

**Action**—Senate Foreign Relations Committee Sept. 3 reported S 3394 (S Rept 93-1134), the foreign aid authorization bill.

The authorization of \$2,527,626,000 for fiscal 1975—\$724,600 below the budget request—clearly reflected the committee's continuing intent to phase out military grant assistance to all foreign countries and U.S. military missions abroad, to further extricate the United States from its involvement in Indochina and to curb some of the president's discretionary foreign aid powers.

### Background

The committee's attempts to reform the foreign aid program—similar to those it took in 1973—came at a time of renewed debate over U.S. commitments abroad in light of an economic slowdown and near-record inflation at home. Fueling that debate was the continued controversy over the scope of the U.S. role in Indochina and the Middle East and the extension of aid to countries with repressive governments.

Reflecting the growing controversy over foreign aid, the Senate in recent years had twice defeated foreign aid authorization bills. A military and economic authorization in 1971 was rejected by the Senate, but a substitute measure cleared Congress early in the next session. In 1972 the Senate defeated the fiscal 1973 military assistance authorization bill. A second bill died in conference because of disagreements over Senate policy amendments. As a result, passage of the regular appropriations bill was stymied and funding for fiscal 1973 for foreign assistance had to be provided under a continuing resolution.

In 1973, the Senate authorized military assistance and economic assistance in two separate bills. While the final version combined the two assistance areas, military assistance was authorized only for fiscal 1974 while most economic assistance was authorized for fiscal 1974 and 1975. But while Congress adopted several revisions of the economic assistance program, many of the major revisions for military assistance proposed by the Senate Foreign Relations Committee were eliminated during floor action or during the House-Senate conference. (*Background, 1973 Almanac p. 816; 1972 Almanac p. 449, 287; 1971 Almanac p. 408, 387*)

### Committee Action

S 3394 authorized appropriations for all military assistance and for economic assistance supplemental to the authorizations already enacted. In joining both military and economic assistance in the same bill, the committee said its action was not inconsistent with its long-term desire to consider the authorizations in two separate bills.

"This is a unique bill," the committee wrote, "where military and economic aid issues are inextricably combined. In Indochina, for example, the committee believes that the Senate should consider the total flow of U.S. resources into South Vietnam, Cambodia and Laos and that it would be inadvisable and confusing to try to deal with policy toward those countries in separate economic and military aid bills." The situation regarding aid to the Middle East was similar, the committee said.

Of the \$2.5-billion authorized, the committee earmarked \$550-million for postwar reconstruction in Indochina (\$389-million less than the administration had re-

quested); \$585-million (\$200-million more than requested) for security supporting assistance (economic aid to promote political stability), mostly for the Middle East; \$550-million for military grant assistance (cut by \$435-million); \$455-million for foreign military credit sales (cut \$100-million); \$222-million for development assistance and \$36.9-million for international organizations and programs. The total, \$2,527,626,000, was \$724,600 below the budget request.

Key actions taken by the committee included providing for a phaseout over three years of all military grant assistance to foreign countries and U.S. military missions abroad, the imposition of ceilings on all foreign assistance—both economic and military—to Indochina, and the repeal or modification of several provisions that gave wide latitude to the president in overriding or amending congressional foreign aid directives.

The committee ordered the bill reported (S Rept 93-1134) Aug. 13 by an 11-5 vote. Committee Chairman J.W. Fulbright (D Ark.) was one of the five opposing the bill. (*Vote breakdown, box this page*)

## Major Provisions

### Military Assistance

Undaunted by the full Senate's 1973 reversal of its recommendation to phase out all military grant assistance in four years, the committee again recommended that the assistance program be terminated. To maintain its earlier timetable, the committee provided for a phaseout to be completed within three years, by Sept. 30, 1977. (The Sept. 30 date reflected the change in the government fiscal year as modified by the 1974 budget reform act.)

"At present," the committee wrote, "the far-flung network of U.S. military assistance advisory groups, military missions and military groups gives bureaucratic momentum to the perpetuation of an extensive program the rationale for which each year has become increasingly dubious." Asserting that the program led foreign countries to maintain larger and more expensively equipped military forces than they would otherwise find necessary, the committee said "the program not only escalates the destructive potential of international conflict but also enhances the relative power of the military within those societies and thereby creates undesirable tendencies away from the very democratic processes which the program...was intended to defend."

Under the bill's provisions, the United States would be prohibited after Oct. 1, 1977, from extending military grant assistance, except training, or from sending military personnel to a foreign country unless Congress specifically

### Committee Vote

Following is the 11-5 vote by which the Senate Foreign Relations Committee reported the fiscal 1975 foreign aid authorization bill:

Aye (11): Democrats Sparkman (Ala.), Pell (R I.), McGee (Wyo.), Muskie (Maine), McGovern (S.D.) and Humphrey (Minn.); Republicans Case (N.J.), Javits (N.Y.), Scott (Pa.), Pearson (Kan.) and Percy (Ill.).

Nay (5): Democrats Fulbright (Ark.), chairman, Mansfield (Mont), Church (Idaho) and Symington (Mo.); Republican Aiken (Vt.).

Not voting: Griffin (R Mich.).

authorized the action. Further, the total number of military personnel assigned to a diplomatic mission could not exceed 25 per cent of the number of such personnel at that mission on June 30, 1974.

To initiate the phaseout, the committee authorized \$550-million for military grant assistance in fiscal 1975—a sharp cut from the \$985-million requested by the administration.

### Foreign Military Sales

U.S. military assistance to foreign countries would still be continued through foreign military sales, credits and guarantees, the committee said. But the committee also pursued its 1973 recommendations to return U.S. arms transactions to commercial channels and minimize the federal government's role in arms sales negotiations with other countries. The committee specifically barred the federal government from selling a defense article to an "economically developed" country if that article were available through commercial channels in the United States. A similar provision was deleted in conference from the 1973 foreign aid bill. The committee did not define "economically developed," but it stipulated that the provisions should not apply to Israel.

The committee criticized the executive branch for failing to get the U.S. government out of the arms sales business. Its members "feel very strongly that U.S. policies should be geared to restricting, not expanding, the world arms trade," the report said. "The U.S. government is far and away the world's leading arms merchant. Out of one side of the government's mouth come pious calls for action to reduce the world's arms burden. And out of the other side comes an arms sales pitch to nations around the globe. The committee hopes that the provision recommended will be a significant step toward ending this hypocritical situation...."

The committee established a minimum interest rate for credits extended to foreign countries for arms sales and provided a maximum 10-year period for government guarantees of credit extended by private sources for foreign arms sales. Both provisions could be waived by the president, but only under "extraordinary circumstances. Under no circumstances is the waiver to be used to allow a concessional interest rate or a guaranty term longer than 10 years for the purpose of meeting foreign competition," the committee specified.

### Vietnam, Korea Restrictions

In separate provisions, the committee required that beginning with fiscal 1976 all military assistance to Vietnam be funded through the military assistance program rather than through the Department of Defense as had been the practice.

The committee also called for a termination of military grant and credit assistance to South Korea after Sept. 30, 1977, by setting diminishing ceilings on the amount that could be extended to that country in fiscal 1975-77. The committee said it took the action "because of its serious concern about the increasingly repressive measures of the South Korean government."

### Indochina

To reduce U.S. involvement in Indochina, the committee set ceilings on the amount of all aid that could be extended to South Vietnam, Cambodia and Laos and wrote definitive guidelines for expenditure of the aid. Ceilings for Cambodia and Laos had been authorized in the past.

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...for assistance to Vietnam at \$1,280,000,000 in fiscal 1975—\$1,115,600,000 less than requested. Of the total, \$420-million was for economic assistance authorized by S 3394; \$160-million for commodities authorized under the Food for Peace program (PL 480), and \$700-million for military assistance appropriated under the fiscal 1975 defense appropriations bill.

The committee split the authorization for economic assistance among four categories: humanitarian relief (\$95-million), agricultural production (\$188-million), industrial development (\$95.6-million) and miscellaneous, including petroleum (\$41.4-million). The bill prohibited the executive branch from transferring any of the funds designated for economic assistance to military assistance, although the reverse would be permissible. S 3394 also prohibited transferring funds among the four categories of economic assistance.

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The committee's \$420-million authorization for economic assistance was \$330-million below the budget request. The committee said the cut was justified because (a) although the proposal was entitled "Indochina Postwar Reconstruction," continued fighting limited the possibility for reconstruction; (b) little money was actually earmarked by the administration for reconstruction purposes; (c) there was no comprehensive economic development plan for South Vietnam and (d) the committee felt the costs projected for war victim relief were excessive.

The bill further curtailed U.S. involvement in Vietnam by limiting the government personnel, including contract employees, that could be used. Within six months of enactment, U.S. personnel would be limited to 4,000, with a maximum of 2,500 Defense Department personnel and 800 nationals employed by the U.S. government. Within 12 months that number would be reduced to 3,000, with a maximum of 1,500 Defense Department personnel and 500 nationals.

The committee also set ceilings for Cambodia and Laos, allowing for Cambodia \$200-million in military assistance, \$70-million in general economic assistance and \$77-million in PL 480 commodity assistance, and for Laos \$55-million in military assistance and \$45-million in economic assistance.

The total authorization for Cambodia was \$231.3-million below the administration's request. The committee said the \$130-million economic aid request represented "padding" in the proposed aid program. It also said its \$191.3-million reduction of the budget request for military assistance "was influenced by [the committee's] view that the war in Cambodia is more clearly than ever a civil war—and one in which the United States is...supplying the forces on both sides."

The committee cut \$46.9-million from aid requests for Laos.

### Chile

The committee also placed a ceiling of \$65-million on the assistance that could be provided to Chile in fiscal 1975. The committee said the limitation was "an expression of the committee's concern about the continuing disregard for the protection of human rights" in that country and warned that it would recommend a cutoff of all aid in future years unless the situation improved.

### Middle East

The committee approved the full administration request of \$100-million for a special requirement fund to meet unforeseen economic needs in the Middle East. During hearings on the legislation, the administration said that a portion of the fund might be given to Syria. The committee stipulated that the money from the special fund could not be used for military assistance and further provided that the Senate and the House each have 30 days in which to disapprove the way in which the president intended to distribute the funds.

The committee also approved authorizations of \$100-million in military grants, \$330-million in military credit sales and \$577.5-million in supporting assistance to the Middle East countries of Egypt, Israel and Jordan.

### Security Supporting Assistance

The committee authorized appropriations of \$585,500,000 for security supporting assistance (economic aid to promote political stability), including \$250-million—the amount requested—for Egypt. The assistance represented the first substantial U.S. aid to that country since its 1967

war with Israel. The committee also raised the amount of security supporting assistance requested for Israel from \$50-million to \$250-million, saying Israel's "serious economic situation" justified it.

### Congressional Control

The committee wrote several provisions into the bill in what it described as an "overall effort to restore congressional control over the foreign aid program and retract major grants of discretionary authority over foreign aid matters which have been given to the president in the past."

The major revision was the repeal of a section of the Foreign Assistance Act of 1961 that allowed the president to waive any restrictions or requirements authorized by Congress when he determined that such action was necessary for the security of the country. The bill also repealed a section of the same act that allowed the president to draw on Defense Department stocks, up to limits set each year by Congress, to provide military assistance to countries beyond that amount specifically approved by Congress. The bill further prohibited the president from transferring any economic aid funds to military assistance purposes and placed limitations on the furnishing of excess defense articles to foreign countries.

### Police Training

The committee also banned the use of any foreign assistance to provide training or financial support for police or other internal security forces of a foreign country. The ban did not apply to narcotics training or to the sharing of information on crimes such as hijacking. The new provision expanded language originally written into the fiscal 1974 authorization bill.

## FIGHT OPENS OVER \$850,000 FUNDS FOR NIXON

**Hearings—Senate Appropriations Subcommittee on Treasury, Postal Service and General Government Sept. 11 on the Ford administration's request for supplemental appropriations for presidential transition expenses and allowances for former President Nixon.**

Critics of the \$850,000 request fired the opening shots in what promised to be a prolonged fight over how much Nixon should receive after leaving the presidency.

President Ford's Sept. 8 pardon of Nixon was mentioned only in passing during the hearing. But congressional anger and frustration over it were clearly reflected in several exchanges. (*Details of pardon p. 2454*)

"We will accord every consideration to the former president," Subcommittee Chairman Joseph M. Montoya (D N.M.) told Arthur F. Sampson, administrator of the General Services Administration (GSA). "But we don't want to indulge in any excesses."

At another point Montoya declared, "When you went out to San Clemente (to discuss the amount of the request with Nixon aides), even though it wasn't winter, you were given quite a snow job."

Mark O. Hatfield (R Ore.) asserted that over the past week his mail and telephone calls from constituents were "99 and 99-one hundredths per cent" opposed to Congress allowing all of the request.

"Many thought the Nixon administration was a costly one," Hatfield said. "And they ask why additional money is

needed"—particularly when Ford was asking the nation to hold down spending. Those who contacted him thought the request was "unnecessary and extravagant."

### Storage of Tapes, Papers

Part of the request was for \$110,000 to store Nixon papers and tapes in a security vault near Nixon's home at San Clemente, Calif. Under an agreement signed by Nixon and Sampson, the former president and the GSA chief each would have a key to the vault. Both keys would be required to gain access to the materials.

Hatfield asked whether Congress, in approving funds for the vault arrangement, might be constructing an "impediment" to possible subpoenas for tapes and documents, since Nixon theoretically could refuse to supply his key.

In such a case, Hatfield asked, would Ford's pardon prevent contempt of court proceedings against Nixon for failing to obey a subpoena?

GSA General Counsel Harold S. Trimmer Jr. assured Hatfield that the pardon covered only Nixon's actions while in office and would not apply in such an instance.

Under the proposed security arrangement, all of Nixon's White House files and tapes would be taken immediately to a location about 10 miles from San Clemente. During a three-month period, the materials would be categorized. They would then remain in the vault for five years, guarded around the clock.